

**HOST COMMUNITY AGREEMENT
FOR THE SITING OF A
MARIJUANA PRODUCT MANUFACTURING ESTABLISHMENT IN
THE TOWN OF MASHPEE**

This Host Community Agreement (the "Agreement") entered into this 28 day of MAY, 2019 by and between the **Town of Mashpee**, acting by and through its Town Manager, with a principal address of 16 Great Road North, Mashpee Massachusetts 02649 (hereinafter the "Town") and **CCE CAT LLC**, a limited liability company with a principal office address of 800 Falmouth Road, Unit 101C, Mashpee, MA 02649 (hereinafter "Company").

WHEREAS, Company wishes to locate a licensed Marijuana Product Manufacturing Establishment in the Town at 800 Falmouth Road, Unit 101C and Unit B1C (Assessors Parcels 88/2/101C and 88/2/B1C) (hereinafter the "Establishment") in accordance with Chapter 55 of the Acts of 2017 (the "Act"), G.L. c. 94G, and regulations promulgated by the Cannabis Control Commission ("CCC") pursuant thereto, and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable Bylaws and regulations, as such may be amended;

WHEREAS, Company, notwithstanding any tax exempt status to which it may now, or in the future, be entitled, intends to pay all local taxes attributable to its operation, including sales taxes, real estate and personal property taxes on the space and facilities within which the Establishment is located;

WHEREAS, Company desires to be a responsible corporate citizen and contributing member of the business community of the Town, and intends to provide certain benefits to the Town over and above typical economic development benefits attributable with similar new manufacturing and retail concerns locating in the Town;

WHEREAS, the parties intend by this Agreement to satisfy the provisions of 935 CMR 500, et seq. and of G.L. c. 94G §3(d), as established in the Act, applicable to the operation of the establishment of Marijuana Establishments in the Town;

NOW THEREFORE, in consideration of the provisions of this Agreement, the Company and the Town agree as follows:

1. Community Impact

The Town anticipates that, as a result of the Company's operation of the Establishment, the Town will incur additional expenses and impacts upon its road system, infrastructure, law enforcement, inspectional services, permitting services, administrative services and public health services, in addition to potential additional unforeseen impacts upon the Town. Accordingly, in order to mitigate the financial impact upon the Town and use of Town resources, the Company agrees to annually pay a community impact fee to the Town, in the amounts and under the terms provided herein (the "Annual Payments").

2. Annual Payment

In the event that the Company obtains a Final License or Licenses , or such other licenses and/or approvals as may be required, for the operation of the Establishment in the Town from the Massachusetts Cannabis Control Commission (the "CCC"), or such other state licensing or monitoring authority, as the case may be, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which said permits and/or licenses allow the Company to locate, occupy and operate the Establishment in the Town, then the Company agrees to provide the following Annual Payment for each year this Agreement is in effect; provided, however, that if the Company fails to secure any such other license and/or approval as may be required, or any of required municipal approvals, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement.

- a) Company shall make Annual Payments in an amount equal to three percent (3%) of gross revenue from marijuana and marijuana product wholesale sales at the Establishment. In the first year of operation, the Annual Payment shall be paid in multiple monthly installments representing 3% of the gross sales for the preceding month. The first year's payments shall be made one month from the notice of commencement of operations from the Cannabis Control Commission. The balance of the Annual Payment shall be due no later than twelve (12) months after the opening date (the "Opening Date.") and shall represent 3% of gross annual revenue.
- b) In the second, third, fourth and fifth years of operation: 3% of the gross marijuana and marijuana products sales at the Establishment in each year of operation shall be paid in two (2) six (6) month segments; the first, covering the first six (6) months of the operating year, measured annually from the Opening Date, shall be paid within two hundred forty (210) days of the commencement of the year of operation and the balance, covering the second six(6) months of the operating year, to be paid within thirty (30) days after the end of the year of operation.
- c) With regard to any year of operation for the Establishment which is not a full calendar year, the applicable Annual Payments shall be pro-rated accordingly.

3. Dedication of Payments.

Company shall make the Annual Payments set forth in Paragraph 2, above, to the Town of Mashpee. To the extent now or hereafter permitted by law, the Treasurer of the Town may hold the Annual Payments in a separate account, to be expended by the Town without further appropriation pursuant to G.L. c. 44, § 53A, or otherwise in trust, for the purposes of addressing the potential health, safety, and other effects or impacts of the Establishment on the Town on municipal programs, services, personnel, and facilities. Otherwise, said Annual Payments shall be deposited into the General Fund. While the purpose of the Annual Payments is to assist the Town in addressing any public health, safety, and other effects or impacts the Establishment may have on the Town and on municipal programs, services, personnel, and facilities, the Town may expend the Annual Payments at its sole and absolute discretion. Notwithstanding the Annual Payments, nothing shall prevent the Company from making additional donations from time to time to causes that will support the Town, including but not limited to local drug abuse prevention/treatment/education programs.

4. Other Local Payments

Company anticipates that it will make purchases of water, and sewer (if available) from local government agencies. Payment of any Mashpee Water and Sewer District or other governmental agency assessments, fees and charges relating to services provided to the Establishment are separate and distinct from the payment obligations established by other provisions of this Host Community Agreement. Company will pay any and all fees associated with the local permitting of the Establishment. If the Town receives other payments from the Company or from the Department of Revenue or any other source, including but not limited to taxes imposed by an act of the legislature of the Commonwealth of Massachusetts, or a mandate from the Town for said payments, the amounts due from the Company to the Town under the terms of this Agreement shall not be reduced by the amount of such other payments.

It is, further, acknowledged by the Company that in the event the Town adopts, by local option, the additional local 3% tax on the retail sale of marijuana or marijuana products pursuant to G.L. c. 64N, § 3, as of the effective date of said tax, said tax, if applicable to any such retail sales made at the Establishment, shall be paid as a local tax in addition to any other payments stipulated herein.

5. Education and Prevention Programs

The Company, in addition to any other payments specified herein, shall annually contribute to a non-profit entity or entities approved by the Board of Selectmen in an amount no less than Five Thousand Dollars (\$5,000.00) for the purposes of drug abuse prevention/ treatment/education programs (the "Annual Donations"). The education programs shall be held in Mashpee and those communities adjacent to Mashpee. Prior to the selection of a non-profit entity program for this purpose, the Company will review its intentions with the Town, acting through its Town Manager and Chief of Police to ensure that the proposed programming is consistent with community needs. The Annual Donations shall not be considered part of the Annual Payment to the Town. Documentation of the Annual Donations shall be made in accordance with the Annual Payment schedule set forth in Paragraph 2. In the event that no non-profit entity can be readily identified to offer the appropriate programming to Mashpee and the surrounding area, the contribution shall be paid to the Town to hold in a restricted fund for release upon mutual and written agreement of the Company and Town once an eligible non-profit program is identified.

6. Annual Filing

Company shall notify the Town when the Company commences sales at the Establishment and shall submit annual financial statements to the Town on or before May 1st, which shall include certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement, in addition to a copy of its annual filing as a non-profit, if any, to the Massachusetts Office of Attorney General. Upon request, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent, allowed by law) as it is required by the Commonwealth to obtain and maintain a license for the Establishment. Company shall provide the Town with evidence that the financial records submitted to the Town are the same documents provided to and used as the basis for determination of sales tax payments to the Massachusetts Department of Revenue.

The Company shall maintain its books, financial records and any other data related to its finances and operations in accordance with standard accounting practices and any applicable regulations and guidelines promulgated by the Commonwealth of Massachusetts. All records shall be retained for a period of at least seven (7) years.

7. Re-Opener/Review

In the event that the Company enters into a host community agreement for a Marijuana Establishment with another municipality in the Commonwealth of Massachusetts that contains terms that are superior to what the Company agrees to provide the Town pursuant to this Agreement, then the parties shall reopen this agreement and negotiate an amendment resulting in benefits to the Town equivalent or superior to those provided to other municipality.

8. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for the property shall be paid either directly by the Company or by its landlord, and neither the Company nor its landlord shall object to or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from pay such taxes. Notwithstanding the foregoing, (i) if real personal property owned, lease or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

9. Community Support and Operational Obligations

a. Local Vendors

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Establishment.

b. Employment

Except for senior management staff, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use good faith efforts to hire Town residents.

c. Approval of Administrator

If requested by the Town, the Company shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 105 CMR 725.030 relative to Registered Medical Marijuana Dispensary Agents, or such other state regulations, as the case may be, of the person proposed to act as on-site Administrator of the Establishment. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The Town, through its Town Manager, shall consider such information for approval within thirty (30) days following submittal to determine, in consultation with the Mashpee Police Chief, if the person proposed is of suitable character to act as on-site Administrator.

d. Educational Programs

Company shall provide staff to participate in a reasonable number of Town-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with other Town public safety departments not mentioned in the Agreement.

e. Traffic Mitigation

If the Town Manager and/or the Police Chief shall determine that operation of the Establishment has caused or is substantially contributing to unsafe or inconvenient vehicular or pedestrian traffic conditions in the vicinity of the Establishment, said Town Manager or Police Chief may request, and the Company shall implement, such traffic mitigation or control measures, including, but not limited to, use of detail officers, implementation of pre-scheduled customer appointments, or other such reasonable measures as may be required to minimize such traffic impacts.

f. Odor/ Noise Mitigation

The Company further agrees that it will implement the following mitigation measures at the Establishment, subject to the review and approval of the Mashpee Board of Health:

1) A proposed odor mitigation plan, including odor mitigation equipment specifications and floor plans indicating the proposed locations of odor mitigation equipment. Odor mitigation equipment shall be state-of-the-art equipment to the extent commercially practicable. Such odor mitigation plan shall be subject to peer review by a qualified marijuana odor mitigation consultant designated by the Board of Health.

2) A proposed noise mitigation plan for any mechanical equipment proposed for the cultivation/product manufacturing processes at the Establishment. Noise mitigation equipment shall be state-of-the-art to the extent commercially practicable. The noise mitigation plan must document compliance with applicable Massachusetts Department of Environmental Protection standards and any local Bylaws, regulations or requirements regulating ambient noise generated by commercial or manufacturing establishments.

10. Town Support

The Town agrees to submit to the CCC, or such other state licensing or monitoring authority, as the case may be, certification of compliance with applicable local bylaws relating to the Company's application for a License to operate the Establishment where such compliance has been properly met, but it makes no representation or promise that it will act on any other license or permit request, including, but not limited to any Special Permit or other application for zoning relief submitted by the Company, in any particular way other than by the Town's normal and regular course of conduct and in accordance with their rules and regulations and any statutory guidelines governing the same. The Town agrees to use reasonable efforts to work with Company, if approved, to assist the Company with its community support and employee outreach programs.

This Agreement does not affect, limit, or control the authority of Town boards, commissions, and Departments to carry out their respective powers and duties to decide upon and to issue, condition, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations pertaining to those boards, commissions, and departments, or to enforce said statutes, Bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the Establishment to operate in the Town, or to refrain from enforcement action against the Company and/or the Establishment for violation of the terms of any such permits and approvals or said statutes, Bylaws, and regulations.

11. Establishment Security

- a. Company shall maintain security at the Establishment at least in accordance with the security plan presented to the Town and Approved by the CCC, or such other state licensing or monitoring authority, as the case may be. In addition, the Company shall at all times comply with all applicable laws and regulations regarding the operations of the Establishment and the security thereof. Such compliance shall include, but will not be limited to: providing hours of operation; after-hours contact information and access to surveillance operations; and requiring Establishment agents to produce their Agent Registration Card to law enforcement upon request.
- b. To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authorities, as the case may be, the Company shall work with the Town's Police Department to determine the placement of exterior security cameras to provide an unobstructed view in each direction of the public way(s) on which the Establishment is located.
- c. Company agrees to cooperate with the Town's Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communication with the Police Department of any suspicious activities at or in the immediate vicinity of the Establishment, and with regard to any anti-diversion procedures.

- d. To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan to prevent marijuana and marijuana product diversion, such plan to be in place prior to the commencement of operations at the Establishment. Such plan shall include, but is not limited to, (i) training the Company employees to be aware of, observe, and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion; and (ii) utilizing seed-to-sale tracking software to closely track all inventory at the Establishment.
- e. Company shall promptly report the discovery of any of the following circumstances to the Town's Police within twenty-four (24) hours of the Company becoming aware of such circumstance: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

12. Improvements to the Establishment Site

Company shall make capital improvements to the site at which the Establishment is located such that the property will be consistent with the look and feel of the Town, and be of construction standards at least at the quality of other nearby businesses. Company agrees to comply with all laws, rules, regulations and orders applicable to Establishment, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of such work.

13. On-site Consumption

Company agrees that, even if permitted by statute or regulation, it will prohibit on-site consumption of marijuana or marijuana-infused products at the Establishment.

14. Term and Termination

This Agreement shall take effect on the day above written, subject to the contingencies noted herein. This Agreement shall continue in effect for so long as the Company operates the Establishment or any similar Marijuana Establishment within the Town, or five (5) years from the date of this Agreement, whichever is earlier. At the conclusion of the term of this Agreement, the parties shall renegotiate a new Host Community Agreement in accordance with the then current prevailing regulations and laws, as such regulations and laws may be amended or replaced. In the event the Company no longer does business in the Town or in any other way loses or has its License revoked by the Commonwealth, this Agreement shall become null and void; however, the Company will be responsible for the prorated portion of the Annual Payment due as under section 2 above. The Town may terminate this Agreement at any time for cause. "Cause" in this Agreement shall mean: (i) an intentional act of fraud,

embezzlement, theft, or any other material violation of law that occurs during or in the course of Company's operations within the Town of Mashpee; (ii) intentional damage to the company's assets; (iii) intentional disclosure of the company's confidential information contrary to the company's policies; (iv) breach of Company's obligations under this Agreement; (v) intentional breach of any of company's policies; (vi) the willful and continued failure by the Company to substantially perform the duties for the company (other than as a result of incapacity due to physical or mental illness); or (vii) willful conduct by Company that is demonstrably and materially injurious to the company, monetarily or otherwise. For purposes of this paragraph, an act, or a failure to act, shall not be deemed willful or intentional, as those terms are defined herein, unless it is done, or omitted to be done, by the Company in bad faith or without a reasonable belief that the Company's action or omission was in the best interest of company. Failure to meet performance standards or objectives, by itself, does not constitute "Cause."

15. Failure to Commence Operation and/or Relocation

This Agreement shall be null and void in the event that the Company shall (i) fail to commence operation of the Establishment in the Town within three (3) years of the execution of this Agreement, in which case, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement, or (ii) relocate the Establishment out of the Town. In the case of relocation out of Town, an adjustment of funds due to the Town hereunder shall be calculated based upon the period of operation within the Town, but in no event shall the Town be responsible for the return of any funds already provided to it by the Company. If, however, the Establishment is relocated out of the Town prior to the second anniversary of the date of this Agreement, the Company shall pay the Town as liquidated damages an amount equal to ten thousand dollars (\$10,000) in consideration of the expenditure of resources by the Town in negotiating this agreement and preparing for impacts.

16. Governing Law

This Agreement shall be governed in accordance with the laws of the Commonwealth of Massachusetts and venue for any dispute hereunder shall be in the courts of Barnstable County.

17. Amendments/Waiver

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

18. Severability

If any term or condition of the Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced. Further, the Company agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

19. Successors/Assigns

This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. The Company shall not assign, sublet or otherwise transfer rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town.

20. Headings

The article, section and paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

21. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

22. Signatures

Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

23. Entire Agreement

This Agreement constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

24. Notices

Except as otherwise provided herein, any notices, consents, demands, request, approvals or other communications required or permitted under this Agreement shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and will be effective upon receipt for hand or said delivery and three days after mailing, to the other Party at the following addresses:

To Town: Rodney C. Collins
Town Manager
Town of Mashpee
16 Great Neck Road North
Mashpee, MA 02649

To Company: Robert V. Catania
CEO, Co-Owner
CCE CAT, LLC
800 Falmouth Road, Unit 101C
Mashpee, MA 02649

25. Retention of Regulatory Authority

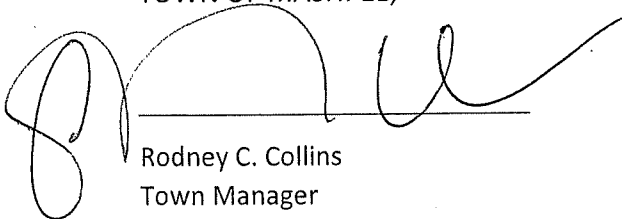
By entering into this Agreement, the Town does not waive any enforcement rights or regulatory authority it currently hold over any business activity in the Town.

26. Third Parties

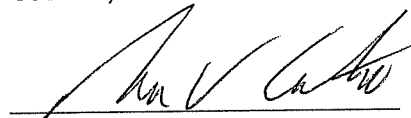
Nothing contained in the Agreement shall create a contractual relationship with or a cause of action in favor of any third party against either the Town or the Company.

In witness whereof, the parties have hereafter set faith their hand as of the date first above written.

TOWN OF MASHPEE,


Rodney C. Collins
Town Manager

CCE CAT, LLC

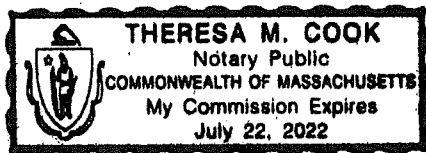

By: Robert V. Catania
Its: CEO

RAIATED BY BOS 5/20/19

COMMONWEALTH OF MASSACHUSETTS

Barnstable, ss

On this 28 day of MAY, 2019, before me, the undersigned Notary Public, personally appeared the above-name Rodney C. Collins, proved to me by satisfactory evidence of identification, being (check whichever applies): _____ driver's license or other state or federal governmental document bearing a photographic image, _____ oath or affirmation of a credible witness know to me who knows the above signatory, or ☒ my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him voluntarily for its stated purpose.

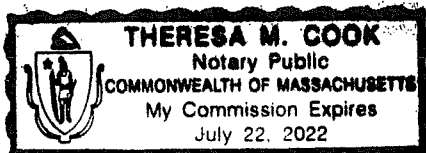


Theresa M. Cook
Notary Public: *Theresa M. Cook*
My commission Expires: *July 22, 2022*

COMMONWEALTH OF MASSACHUSETTS

Barnstable, ss

On this 28 day of MAY, 2019, before me, the undersigned Notary Public, personally appeared the above-name ROBERT V. CATANIA proved to me by satisfactory evidence of identification, being (check whichever applies): ☒ driver's license or other state or federal governmental document bearing a photographic image, _____ oath or affirmation of a credible witness know to me who knows the above signatory, or _____ my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him voluntarily for its stated purpose.



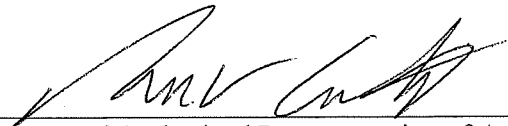
Theresa M. Cook
Notary Public: *Theresa M. Cook*
My commission Expires: *July 22, 2022*

Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

Applicant

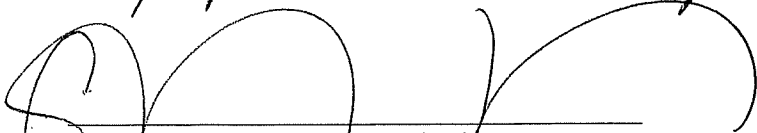
I, Robert V. Catania, (insert name) certify as an authorized representative of CCE CAT LLC (insert name of applicant) that the applicant has executed a host community agreement with Town of Mashpee (insert name of host community) pursuant to G.L.c. 94G § 3(d) on 5-28-19 (insert date).


Signature of Authorized Representative of Applicant

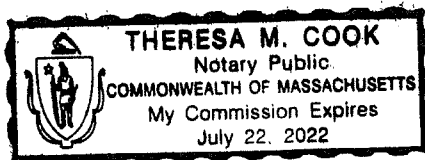
Host Community

I, Rodney C. Collins, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Mashpee (insert name of host community) to certify that the applicant and Town of Mashpee (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 5/28/2019 (insert date).

RATIFIED BY BOARD OF SELECTMEN
5/20/2019


Signature of Contracting Authority or
Authorized Representative of Host Community

RODNEY C. COLLINS
Town Manager



Rodney C. Collins; Personally Known
to me
Theresa M. Cook 5/28/2019
Notary Public
My Commission Expires July 22, 2022